



Australian Government
Australian Taxation Office

EXECUTIVE MINUTE

on

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
REPORT NO. 412
AUDIT REPORTS REVIEWED DURING THE 41ST PARLIAMENT**

Response to the recommendations

Recommendation No. 13, Paragraph 7.37

The Committee recommends that the ATO evaluate and report in its Annual Report on the effectiveness of the Letters Project in reuniting lost members with their superannuation and reducing the number of inactive members in the Lost Members Register.

The Tax Office supports this recommendation.

The Tax Office has published details of the 'Letters Project' and the impact the letters have had in reuniting members with their lost superannuation in its Annual Reports for the 2005-06 year onwards. The information includes the number of letters issued and the number and value of accounts which have been removed from the Lost Members Register as a result of the letter campaign for that particular year.

Recommendation No. 14, Paragraph 7.43

The Committee recommends that the ATO reassess full implementation of the recommendations arising from this audit that require system redevelopment work within the context of broader superannuation system changes

The Tax Office supports this recommendation with qualifications.

This recommendation covers a 'bundle' of four previous Australian National Audit Office (ANAO) recommendations.

The ANAO recommended that the Tax Office identity-match all lost member accounts prior to their inclusion on the Lost Members Register (LMR).

This recommendation is agreed, and has been implemented with the recent introduction of lost member processing into the Tax Office's integrated core processing system.

The ANAO recommended that the Tax Office improve the functionality of the LMR system to record relevant compliance information not presently captured. It noted that, importantly, this should enable the Tax Office to:

- obtain a comprehensive understanding of the number of providers that transfer their lost members to eligible rollover funds; and
- maintain an up to date listing of non lodgment advices (NLAs).

In this regard, the ANAO considered the Tax Office should give consideration to making NLAs mandatory.

This recommendation has been implemented in part. Changes have been made to the LMR reporting specifications and the new specifications require funds to lodge a statement listing any lost, found or transferred accounts, with a wider range of mandatory data. This has been supplemented with a reporting protocol to guide funds in their reporting. NLAs are now mandatory. Additional information required when a fund lodges an NLA is the name of the fund that any lost accounts are transferred to. The name of the fund to which lost accounts are transferred is not presently required for other statements lodged by funds. Introduction of this reporting requirement is not proposed, as it would increase compliance costs for funds in circumstances where reported details do allow for tracking of accounts to eligible rollover funds (ERFs) where needed and show the value of accounts with ERFs.

The ANAO recommended that to improve the timeliness of SuperMatch exercises, the Tax Office identity match all SuperMatch input records before matching these against details stored on the LMR.

This recommendation is agreed and has been implemented.

The ANAO recommended that the Tax Office measure and report on the proportion of SuperSeeker enquiries that result in a match with Tax Office records, and that this should also differentiate matches that relate to the Lost Members Register, as opposed to the Superannuation Guarantee system or the Superannuation Holding Accounts Reserve.

This proposal remains under consideration as part of the Tax Office's rebuild of its SuperSeeker system to accommodate online lodgement of portability requests. However, we may not be able to proceed due to other ICT system redevelopment priorities and budget constraints.



Michael D'Ascenzo

Commissioner of Taxation

Registrar of the Australian Business Register